

Talking points for
Tony T. Brown, Director

Community Development Financial
Institutions Fund (CDFI)

at the

Florida Minority Community
Economic Development Summit

Ft. Lauderdale, FL
Friday, November 14, 2003

CDFI
fund



FOR IMMEDIATE RELEASE
November 14, 2003

Contact: Bill Luecht
(202) 622-8042

**Remarks by Tony T. Brown, Director
Community Development Financial Institutions (CDFI) Fund**

**at the
Florida Minority Community Economic Development Summit**

**Ft. Lauderdale, FL
Friday, November 14, 2003**

Good afternoon and thank you Hillman for the kind introduction. I want to also thank Access Florida, for inviting me to speak at your event.

Florida is now home, so it is great to be back in my home state. I have spent 20 years in banking. Ten of these years have been in community development in the state of Florida.

I am often asked, "How was I nominated by the President, for what I consider to be one of the best jobs in Treasury and in Washington." Well, I tell people that, besides a firm commitment to, and a longstanding history of involvement in community and economic development, I am in Washington in large part due to the support of Jeb.

I certainly commend the Governor for his support of minority-owned businesses, and the organizers of the Florida Minority Community and Economic Development Summit. The African-American and Hispanic population combined make up nearly 30 percent of the state's population. You are very important to Florida's economy and the President is committed to seeing that you are an active participant in America's prosperity.

In remarks to community and business leaders across the country, President Bush has acknowledged the role of community and economic development organizations, like many of the sponsors here today, in helping to eliminate pockets of economic despair. President Bush believes in the work you do to improve America.

One of the President's top priorities for the nation is to strengthen our economic security. President Bush will not be satisfied until every American who wants a job can find one; until every business has a chance to grow; and until we create lasting prosperity that reaches every corner of America.

You have an impressive agenda over the next day and half. The work you do and the follow-up to this summit will help to ensure that America's, and, in your case, Florida's prosperity reaches every corner of the state.

Now, let me also add that I am honored to be part of your all-star line up of Treasury officials.

Deputy Assistant Secretary and Chief Human Capital Officer, Rebecca Contreras, is to address you momentarily as the luncheon keynote speaker.

I also see that my good friend Rosario Marin, the former United States Treasurer, is scheduled to speak to you on Saturday.

Treasury's responsibilities are broad and we have not always been at the table when urban leaders gather to talk about economic development issues. I don't understand why we have stayed under the radar screen among a prestigious group of community leaders. When it comes to money and the U.S. dollar Treasury's resources are vast:

- We coin and print it (US Mint and Bureau of Engraving)
- We collect it (IRS)
- We manage the flow of it (FMS, Bureau of Public Debt, OCC & OTS - Treasury bureaus)

At the Community Development Financial Institutions Fund, we have the responsibility, through a number of programs, to ensure that all Americans have access to capital and financial services.

When others see vacant lots, dilapidated housing and deteriorating neighborhoods, you, as community and economic based developers, see an oasis of community spirit.

This community spirit, the spirit of America, means that our neighborhoods and communities should never be characterized as ghettos, or as any place where the slogan is to "get out of the hood."

The spirit of America means that our neighborhoods and communities singularly and collectively represent who we are as a nation.

The \$15 billion New Markets Tax Credit (NMTC) Program, administered by the CDFI Fund, is a prime example of a national policy designed to spur our nation's economy in low-income communities. I am not going to spend a lot of time talking about the NMTC Program because I am part of the Public-Private Partnerships workshop scheduled for later today - that's my commercial to attract those planning to skip out after lunch.

The mission of the CDFI Fund is to expand the capacity of financial institutions to provide credit, capital and financial services in economically distressed rural and urban communities. The organizations we support through the CDFI Fund are able to invest capital and lend in ways that are more flexible or innovative than traditionally regulated financial institutions.

Some people might characterize community development financial institutions (CDFIs) as lenders of last resort. That's not how I see the network of financial institutions we support. They are not lenders of last resort. These institutions are lenders with high hopes.



These organizations know the value of America's human spirit and they are investing capital to raise the level of human dignity in our nation's low-income communities and among other target populations.

In Florida, 65 percent of the African-American population and 43 percent of the Hispanic population reside in low-income areas (as defined by the NMTC Program). In Florida, the unemployment rate in low-income areas registers almost one and one-half times higher than the state's average (based on average of 2002 unemployment rates).

The NMTC Program is designed to help stimulate up to \$15 billion of needed private sector investments in low-income communities across the country. The NMTC Program offers us a tremendous chance to focus on these communities in an unprecedented manner.

The NMTC Program is designed so that community economic development organizations and lenders, like many of you here today, are empowered with the cash to make a difference in low-income areas. In the 2002 NMTC allocation round, 13 community development entities (CDEs) (out of a total of 66 allocatees) indicated that Florida was a part of their service area. These 13 allocatees were awarded over \$980 million in NMTC authority for the equity they plan to raise for their companies.

Let me close by telling you the strategic course that the Administration has set for the CDFI Fund.

If we as a country are serious about promoting economic prosperity and stability for all Americans and all communities, then gaps in financial service and credit availability must be addressed. The Treasury Department recognizes the unique role of community development finance and supports it.

The nation-wide network of over 1,800 certified CDFIs and CDEs are bound by their common mission - to fill the financial service and credit gaps in underserved communities.

The President needs to look no further than the CDFI Fund website to find his compassionate army of social entrepreneurs and see a list of the folks who are financing them.

At the CDFI Fund, we play an active role in the President's vision for a more prosperous America.

We understand the role that community development finance play in helping the President to achieve his vision of prosperity in every corner of America.

We believe that ALL Americans should have access to capital, credit and financial services.

We believe in you and the progress that you can make in improving the lives of the residents and the communities you serve.

It has been my honor to join you today.

Thank you very much.